

February 17, 2022
Maine Milk Commission Meeting Minutes
Room 101, Deering Building
Augusta, Maine 04333

Notices for the February 17, 2022 meeting were distributed to Commission members, intervenors and other interested parties on January 20, 2022 and sent to the Secretary of State's Office for posting on January 21, 2022.

Commissioners Present: Mike Wiers, Stanley Millay, Colon Durrell, Richard Cook, and Linda Stahlnecker.

Department Officials: None

Staff Present: Julie-Marie Bickford, Executive Director, Carol Gauthier, Office Associate, II, Joy Bonenfant, Resource Administrator

Legal Counsel: Caleb Elwell

Others Present: Tade Sullivan, Maine Dairy Industry Association; John Blake, H.P. Hood; Heath Miller, Dairy Farmer; Tim Drake, and Mary Frank, member of the public.

Chairman Wiers called the meeting to order at 10:30 am.

Agenda Item 1: Minutes: Stan Millay made a motion to accept the minutes of the January 20, 2022 and January 21, 2022 meetings. Richard Cook seconded the motion. Motion passed 4-0.

Agenda Item 2: Caleb Elwell, Assistant Attorney General: Nothing new to report.

Agenda Item 3: Minimum Prices:

Schedule 3-22 was prepared with a prevailing premium of \$1.04/cwt. on Class I for March 2022 and DFA reported no changes and no new information came from Agri-Mark. Federal Order One Class I price for February 2022 is \$26.13, an increase of \$1.24/cwt. The Class II price for January 2022 was \$22.83/cwt, a \$2.99/cwt increase over \$19.84 in December 2021. The Class III price for January 2022 was \$20.38/cwt, a \$2.02 increase over \$18.36/cwt in December 2021. The schedule was prepared using this information plus a producer cost of production adjustment of \$1.63/cwt. The price schedule was for informational purposes and commissioners should make decisions after hearing testimony.

Chairman Wiers asked for testimony.

Tade Sullivan testified that inflation and other dynamics of the economy have also increased costs for dairy farmers – especially electricity costs.

Stanley Millay commented that the current Producer Margin was higher than it had been historically with comparable Class I prices.

Heath Miller said that dairy farmers understand that the Milk Commission represents all parts of the industry – farmers, processors, retailers, and consumers – and all sectors needs must be reflected in pricing decisions. He stated that though the current Class I price may be similar to the price in 2014, farmers are in rougher economic shape as a result of the price slump between 2015-2021.

Chair Wiers asked how the current Federal Order price announcement for Class I compared to the most recent forecasts. Julie-Marie Bickford replied that Agri-Mark's most recent forecast had predicted a Class I price of \$27.27 for March 2022, compared to \$26.13 that was announced.

Stanley Millay made the motion to accept order #3-22 with a Commission premium of \$1.04/cwt. and a COPA of \$1.58/cwt. Colon Durrell seconded the motion.

The motion passed unanimously.

Agenda Item 4: Maine Monthly Price Surveys: Julie-Marie Bickford stated that - per the Commission's request last month - she had performed several price surveys, with a specific focus on the southern part of the state near the New Hampshire border. She also made an effort to visit stores that are not always routinely surveyed. She reported no significant variation in pricing trends in stores closer to the border. She also reported that she was working with several store chains where inconsistencies were observed. She will continue to work with store and corporate management to

clarify pricing requirements and will monitor those locations to ensure full compliance with Milk Commission statutes and rules.

The IAMCA price survey was not available. IAMCA intends to resume them in the next few months.

Agenda Item 5: Next Scheduled Meetings:

- A. **March 24, 2022**, Thursday, starting at 10:30 a.m., Room 101, Department of Agriculture, Conservation, and Forestry, Deering Building, Augusta, ME
- B. **April 21, 2022**, Thursday, starting at 10:30 a.m., Room 101, Department of Agriculture, Conservation, and Forestry, Deering Building, Augusta, ME
- C. **May 19, 2022**, Thursday, starting at 10:30 a.m., Room 101, Department of Agriculture, Conservation, and Forestry, Deering Building Augusta, ME
- D. **June 23, 2022**, Thursday, starting at **4:00 p.m.**, Room 101, Department of Agriculture, Conservation, and Forestry, Deering Building, Augusta, Maine
- E. **July 21, 2022**, Thursday, starting at 10:30 a.m., Room 101, Department of Agriculture, Conservation, and Forestry, Deering Building, Augusta, ME

Agenda Item 6: Other

A. IAMCA Summer Meeting – July 24-26, 2022 – Charlottetown, P.E.I.

The IAMCA Executive Committee met and confirmed going ahead with an in-person annual meeting. Agenda and registration details should be out in the next few months.

B. FY 2022 Financial Report.

Julie-Marie Bickford reported that in reviewing the financial reports over the past few years, there has been a trend of declining revenue for the Commission. A reduction in the amount of milk being produced in recent years, when coupled with decades of erosion of the Commission's surplus funds, and a more consistent schedule of contracting for Dealer, Retail, and Producer cost studies, have resulted in a depletion of the Commission's reserve funds. If steps are not taken to modify some expenditures and revisit fee schedules that have remained unchanged since the Commission's formation in 1935, the Commission may be faced with an inability to conduct its tasks and statutory mission.

Julie-Marie Bickford outlined a series of possible actions the Commission could take to address both the expense side and the income side of the financial ledger. The options were presented as a brainstorming list which would require more research and conversation about their potential impacts and benefits before the Commission would be in a position to act. Chair Mike Wiers suggested that while this conversation should be repeated as part of future monthly meetings, perhaps the Commission members should hold work sessions outside of the monthly pricing meeting to discuss these items more thoroughly and gather information and feedback from the various sectors of the industry.

C. Remote Meeting Policy

All Maine boards and commissions are required to have a remote meeting policy in place to govern conducting their activities using technology to allow remote participation. After consultation with AAG Caleb Elwell, Julie-Marie Bickford reviewed half a dozen examples of remote meeting policies and distilled them down into a 2-page document for the Commission to review. The Commission members will review the policy and be prepared to discuss it, receive input from intervenors, and potentially adopt it at the next monthly meeting scheduled for March 24, 2022. A draft of the policy will be posted on the Milk Commission web page prior to the March meeting.

Agenda Item 7: Executive Session: None needed.

Adjourned: Adjourned; 11:30 a.m. February 17, 2022.